

Congressional Leaders Release GAO Report on "Medicaid Long Term Care: Transferred Assets Before Applying for Nursing Home Coverage; Impact of Deficit Reduction Act Uncertain"

Today Representative John D. Dingell (D-MI), Chairman of the Committee on Energy and Commerce, along with Representative Frank Pallone, Jr. (D-NJ), Chairman of the Energy and Commerce Subcommittee on Health, Representative Henry Waxman (D-CA), Chairman of the Committee on Oversight and Government Reform, and Senator Sherrod Brown (D-OH) released a report by the Government Accountability Office (GAO)...

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Congressional Leaders Release GAO Report on

"Medicaid Long Term Care: Transferred Assets Before Applying for Nursing Home Coverage; Impact of Deficit Reduction Act Uncertain"

Findings Show Few Seniors Transferred Assets before Applying for Coverage

Washington, D.C. — Today Representative John D. Dingell (D-MI), Chairman of the Committee on Energy and

Commerce, along with Representative Frank Pallone, Jr. (D-NJ), Chairman of the Energy and Commerce Subcommittee on Health, Representative Henry Waxman (D-CA), Chairman of the Committee on Oversight and Government Reform, and Senator Sherrod Brown (D-OH) released a report by the Government Accountability Office (GAO) entitled, "Medicaid Long Term Care: Few Transferred Assets Before Applying for Nursing Home Coverage; Impact of Deficit Reduction Act Uncertain."

"This report confirms that the Medicaid long term care program is not rife with cheats and scam artists," said Dingell. "The seniors who enter nursing homes and end up being covered by Medicaid are truly needy. Unfortunately, the Republican Congress enacted many of the Administration's recommendations for curbing abuses that, as it turns out, are not occurring in any significant numbers."

The report makes clear that Medicaid is effective in paying for nursing home care for truly poor Americans, not subsidizing wealthy individuals who artificially impoverish themselves. The GAO found that most of those applying for Medicaid nursing home coverage were elderly widows who had already been living in long term care facilities at their own expense. The vast majority (90 percent) had non-housing resources of \$30,000 or less. The median amount of non-housing resources held by Medicaid applicants was just under \$3,400.

"This report reveals what we have known all along, that Medicaid beneficiaries aren't trying to strike gold by cheating the program. Instead, it confirms that Medicaid acts as a critical safety net for the millions of low-income Americans who would otherwise be unable to finance the long term care they need. Ensuring that this vulnerable population has access to these important benefits will be crucial as we move forward," said Pallone.

According to the report, only a quarter of all applicants reviewed by GAO owned homes, with a median home value of approximately \$53,000. The GAO reviewed the eligibility files of 465 approved Medicaid applicants in three different states. GAO found evidence that assets had been transferred in only 10 percent of the cases.

"For several years now, the Administration has been telling us that 'creative estate planning often allows individuals to become eligible for Medicaid without using their own assets for needed care first,'" noted Waxman. "Of course, this assertion, like a toy sold without batteries, came without documentation. The GAO report we release today lays out the facts, and they do not support the Administration's myth."

The report also notes that very few of those applying for Medicaid had transferred assets for less than fair market value prior to applying for coverage. Typically, the transfers consisted of small amounts of cash or stock to family members. This fact check by GAO makes clear that the Medicaid program is not overrun with wealthy individuals sheltering their assets at the expense of taxpayers, as the Administration repeatedly suggested.

"Seniors should never have been subjected to false accusations and punitive measures," said Brown. "This report proves what many of us have been saying all along: Medicaid is not a windfall for the wealthy; it's a crucial source of nursing home care for seniors in need."

[Read the report](#)

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Prepared by the Committee on Energy and Commerce

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